



Bringing Prosperity to Left-Behind Communities: Using Targeted Place-based Development to Expand Economic Opportunity (05/11/2022)

Not all communities and regions have equal opportunity in our economy. Some areas have faced unique challenges while others have historically benefited from ample economic opportunity, increasing economic disparity between communities and within them. To address these differences – particularly for communities experiencing a long-term economic downturn – state, local and federal governments have partnered with distressed areas to implement targeted place-based policies to support local economic development.



On Wednesday May 11, 2022, the Select Committee held a hearing, “Bringing Prosperity to Left-Behind Communities: Using Targeted Place-based Development to Expand Economic Opportunity,” to analyze existing place-based programs, examine geographic targeting and implementation, and discuss how future place-based strategies can support people to enhance economic opportunity and resilience for economically distressed regions and neighborhoods.

Potential Policy Proposals

Experts offered the following recommendations for consideration:

Prioritize Community Leadership, Local Capacity Building, and Inclusion

- Elevate local priorities by partnering with local entities, including EDA-designated Economic Development Districts and Metropolitan Planning Organizations; instruct federal agencies to work with regional and local partners and promote resident advisory councils.
- Incorporate set-asides for local capacity building, including appropriating \$50 million in FY23 and authorizing \$100 million in EDA reauthorization for the EDA Partnership Planning Grant Program.
- Collaborate with local business and education sectors to create workforce development strategies, including a focus on addressing local skills gaps; provide consulting and mentoring programs to support entrepreneurs through public-private investments to encourage community growth.
- Invest in vocational training, access to higher education and workforce development to align with local private sector needs.
- Move expeditiously to capitalize on local investment and community strengths.
- Expand access to federal grants for rural, Tribal, and other disadvantaged communities, including through reduction of local matching fund requirements.
- Adopt revitalization strategies that provide Black and Latino residents with meaningful ownership opportunities and ensure place-based programs commit capital to increase local wages, create new jobs, and expand entry points for residents to business and property ownership.



Modernize Place-Based Policies

- Create a flexible, two-part federal block grant program to address separate problems:
 - To assist distressed local labor markets, focus programming on provision of customized services to businesses such as business advice programs and infrastructure which have a lower cost per job created compared to business tax incentives.
 - To uplift distressed neighborhoods, increase access to services such as job training, transit, child care, and access to capital for local small businesses.
- Reauthorize the U.S. Economic Development Administration (EDA) to consider current economic, social, and environmental conditions.
- Create an integrated regional planning strategy modeled after EDA's Comprehensive Economic Development Strategy to include private sector input and expand geographic eligibility beyond deficit or income-based benchmarks.
- Strengthen, expand and create new federal interagency partnerships, such as the HUD-EPA-DOT Partnership for Sustainable Communities.
- Expand federal programs and subsidies to increase homeownership and revitalization of small-, mixed-use-, single-, and multi-family housing development.
- Expand the Housing Choice Voucher Program to families with young children.
- Develop more targeted tools for economically distressed neighborhoods.

Improve Data Collection and Evaluation of Place-Based Policies

- Evaluate efficacy of existing place-based policies, prioritizing metrics that include social and economic mobility indicators.
- Research and address relevant barriers to community revitalization, including inequitable access to digital technology by residents and small businesses.
- Develop a framework for federal place-based policies assessing the capacity of local governance and provide operational support, enabling oversight of spending and program evaluation.

Hearing Panelists

The following experts provided the potential policy recommendations listed above:



- **Dr. Tim Bartik**, Senior Economist, W.E. Upjohn Institute for Employment Research
- **Mr. Jay Williams**, President and CEO of the Hartford Foundation for Public Giving, former Asst. Secretary of the EDA, former Mayor of Youngstown, Ohio
- **Dr. Tracy Hadden Loh**, Fellow, Brookings Metro
- **Ms. Cheryal Hills**, Executive Director of Region Five Development Commission, National Association of Development Organizations
- **Mr. Levon Johnson**, President and CEO, Greater Elkhart Chamber of Commerce